

EXHIBIT R

Exhibit #1
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RECEIVED AUG 12 1992

MENDES & MOUNT

THREE PARK AVENUE
 NEW YORK, NY 10016-5902
 (212) 951-2200

TELEX: 620392, 620332
 CABLE: MENMOUNT
 TELECOPY: (212) 951-2246

725 SOUTH FIGUEROA STREET
 LOS ANGELES, CA 90017
 (213) 955-7700
 TELEX: 6831520, 6831521
 CABLE: MNDMT
 TELECOPY: (213) 955-7725

DIRECT DIAL: 951-
 2253

August 10, 1992

Ms. Linda McCroddan
 Senior Claim Representative
 ESIS, Inc.
 10440 Little Patuxent Parkway
 Post Office Box 18
 Columbia, Maryland 21045-0018

RE: Excess Policy Nos: UKL0951 & UNA0250.
 Policy Periods: Annually, July 1, 1978 - July 30, 1984
 Excess Policy No.: 58535
 Policy Periods: Annually, July 1, 1984 - September 30, 1986
 Insured : Black & Decker Corporation
 Claimants: Various - Mississippi Hearing Loss Claims
 Exposure Periods: Various "1939 to present"
 Nature of Claims: Alleged Hearing Loss due to Prolonged
 Exposure to Tool Noise by Employees of Ingalls
 Shipbuilding (Pascagoula, Mississippi)
Our File : 333,422

Dear Ms. McCroddan:

This will acknowledge your letter of August 5, 1992, with proposed "Interim Cost Sharing Agreement" with regard to the captioned Mississippi Hearing Loss Litigation.

Notwithstanding that your reference in the proposed Interim Cost Sharing Agreement to "London Market Insurers" without reference to the specific excess policies to which they subscribe on a several, proportionate basis is overly broad and therefore inappropriate, we are unable to take any action with respect to your August 5 letter and the proposed agreement other than to forward a copy of same "To Underwriters at Interest" for distribution through Price Forbes and Alexander Howden.

You were sent a copy of our August 6, 1992 letter addressed to Mr. Michael D. Margiotta to which was attached a copy of our June 8, 1992 letter to Ms. Evelyn W. Marcin of Black & Decker regarding the insolvency of various insurance companies whose collective shares make up a substantial portion of the total participation in the captioned excess policies issued to Black & Decker through Price Forbes or Alexander Howden. These insolvencies create a significant shortfall in the coverage available under said policies.

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Our File: 333,422

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As indicated in our correspondence of June 8 to Mr. Margiotta, the function of Mendes & Mount as representatives of Black & Decker's excess insurers subscribing the captioned policies has been curtailed considerably as a result of the insolvencies; and we anticipate complete cessation of our representative services shortly. As such, we will be unable to attend any meeting on this matter.

While it is perhaps, premature, to delete our firm from the list of addressees insofar as future correspondence on the captioned matter, we do request that you delete our name from the notice provision of the cost sharing agreement. Presumably if you continue to send correspondence to Alexander & Alexander said broker will ensure that it is forwarded to the remaining solvent excess insurers.

Thank you for your cooperation and understanding.

Very truly yours,

MENDES & MOUNT

Edward M. Manganiello

cc: Mr. M. Clayton Roop, Jr. Director of Insurance Black & Decker (U.S.), Inc.	cc: Mr. Charles B. Ortel, Director Product Liability Management Black & Decker (U.S.), Inc.
cc: Ms. M. Jean Montague Senior Claims Administrator Black & Decker (U.S.), Inc.	cc: Richard P. Kidwell, Esq. ✓ Miles & Stockbridge
cc: Mr. Michael D. Margiotta Senior Claims Consultant Alexander & Alexander Inc.	cc: Mr. Alan D. Schlemmer Claims Examiner, Special Claims Liberty Mutual Insurance Company
cc: Mr. Robert Pantano Home Insurance Company	cc: Ms. Jeannie Mathis Twin City Fire Insurance Company Hartford Insurance Group
cc: To Underwriters at Interest c/o Alexander Howden Ltd. Attn: Mr. Michael Brown	cc: To Underwriters at Interest c/o Price Forbes Ltd. Non-Marine Division Attn: Mr. Geoff Harden

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